

Table (28)  
**Attached Housing Demand**  
Downtown Austin

| Year | Net HH Increase | MARKET AREA FORECAST |              |            |              |
|------|-----------------|----------------------|--------------|------------|--------------|
|      |                 | % Owner              | New Owner HH | % Attached | Final Demand |
| 2018 | 741             | 31.55%               | 234          | 100.0%     | 234          |
| 2019 | 791             | 31.72%               | 251          | 100.0%     | 251          |
| 2020 | 844             | 31.89%               | 269          | 100.0%     | 269          |
| 2021 | 874             | 32.05%               | 280          | 100.0%     | 280          |
| 2022 | 913             | 32.22%               | 294          | 100.0%     | 294          |
| 2023 | 946             | 32.39%               | 306          | 100.0%     | 306          |
| 2024 | 989             | 32.56%               | 322          | 100.0%     | 322          |
| 2025 | 1,031           | 32.72%               | 337          | 100.0%     | 337          |
| 2026 | 1,069           | 32.89%               | 352          | 100.0%     | 352          |
| 2027 | 1,115           | 33.06%               | 368          | 100.0%     | 368          |
| 2028 | 1,166           | 33.22%               | 387          | 100.0%     | 387          |
| 2029 | 1,213           | 33.39%               | 405          | 100.0%     | 405          |
| 2030 | 1,269           | 33.56%               | 426          | 100.0%     | 426          |
| 2031 | 1,310           | 33.73%               | 442          | 100.0%     | 442          |
| 2032 | 1,361           | 33.89%               | 461          | 100.0%     | 461          |
| 2033 | 1,413           | 34.06%               | 481          | 100.0%     | 481          |
| 2034 | 1,463           | 34.23%               | 501          | 100.0%     | 501          |
| 2035 | 1,522           | 34.39%               | 523          | 100.0%     | 523          |
| 2036 | 1,575           | 34.56%               | 544          | 100.0%     | 544          |
| 2037 | 1,642           | 34.73%               | 570          | 100.0%     | 570          |
| 2038 | 1,705           | 34.90%               | 595          | 100.0%     | 595          |
| 2039 | 1,774           | 35.06%               | 622          | 100.0%     | 622          |
| 2040 | 1,841           | 35.23%               | 648          | 100.0%     | 648          |

Prepared by: Capital Market Research, 2018

demcalc.xls

Notes: New Households based on Table (17). Percent owner based on change between US 2000 Census and ACS 2012-2016 Survey. Percent "attached" (100%) deemed to be suitable for urban nature of market area.

### **Market Area Planned Condominium Projects**

In order to accurately forecast the absorption rate for the condominium market in the Waller Creek Parks District, it is necessary to identify the other tracts in the market area that are zoned for multi-family or condominium use that may be developed with condominiums within the forecast time period. Table (29) lists the projects whose location, size and development program indicate that they may be brought to market in the Downtown Austin market area over the next several years. Projects are broadly defined as being “competitive” if the land is currently zoned appropriately for condominium or multi-family development and utilities are available. In order to be considered as “potential” competition, the proposed projects must either be held by, or under contract to, a developer with known intention to move forward with a condominium or multi-family project at a location that will make it potentially competitive with the subject. The planned project timing table shows the number of units planned for condominium development within the market area, and presents this information by units delivered annually, to provide a complete picture of the potential additions to the market area supply. Based on conversations with the developer and sales team members, the anticipated delivery schedule for nine planned projects is shown in Table (30) on the following page.

Table (29)  
Under Construction & Planned Condominium Projects  
Downtown Austin

| Map No      | Project Name             | Location                 | Planned Units | Developer                           | Status       |
|-------------|--------------------------|--------------------------|---------------|-------------------------------------|--------------|
| 1           | 1010 W. 10th             | 1010 W 10th St           | 14            | West 10th LLC                       | Complete     |
| 2           | 48 East                  | 48 East Avenue           | 239           | LD&C                                | Approved     |
| 3           | 5th & West Residences    | 501 West Ave             | 154           | Riverside Resources                 | Construction |
| 4           | 70 Rainey                | 70 Rainey St             | 164           | Sackman Enterprises                 | Construction |
| 5           | Austin Proper Residences | 202 Nueces St            | 99            | The Kor Group                       | Construction |
| 6           | Block 185                | 600 W Cesar Chavez       | 196           | Trammell Crow Company               | Planned      |
| 7           | The Independent          | 301 West Ave             | 370           | Constructive Ventures/Aspen Heights | Construction |
| 8           | The Stonewall            | 700 Blanco St            | 11            | Arbol Lindo, LLC                    | Construction |
| 9           | Waller Center Bldg. C    | Cesar Chavez @ Red River | 203           | The Sutton Co./McCort               | Approved     |
| Total Units |                          |                          | 1,450         |                                     |              |

Source: Capital Market Research, March 2018

compsite\_condo\_dt\_2018.xls

Table (30)  
**Condominium Project Timing**  
Downtown Austin

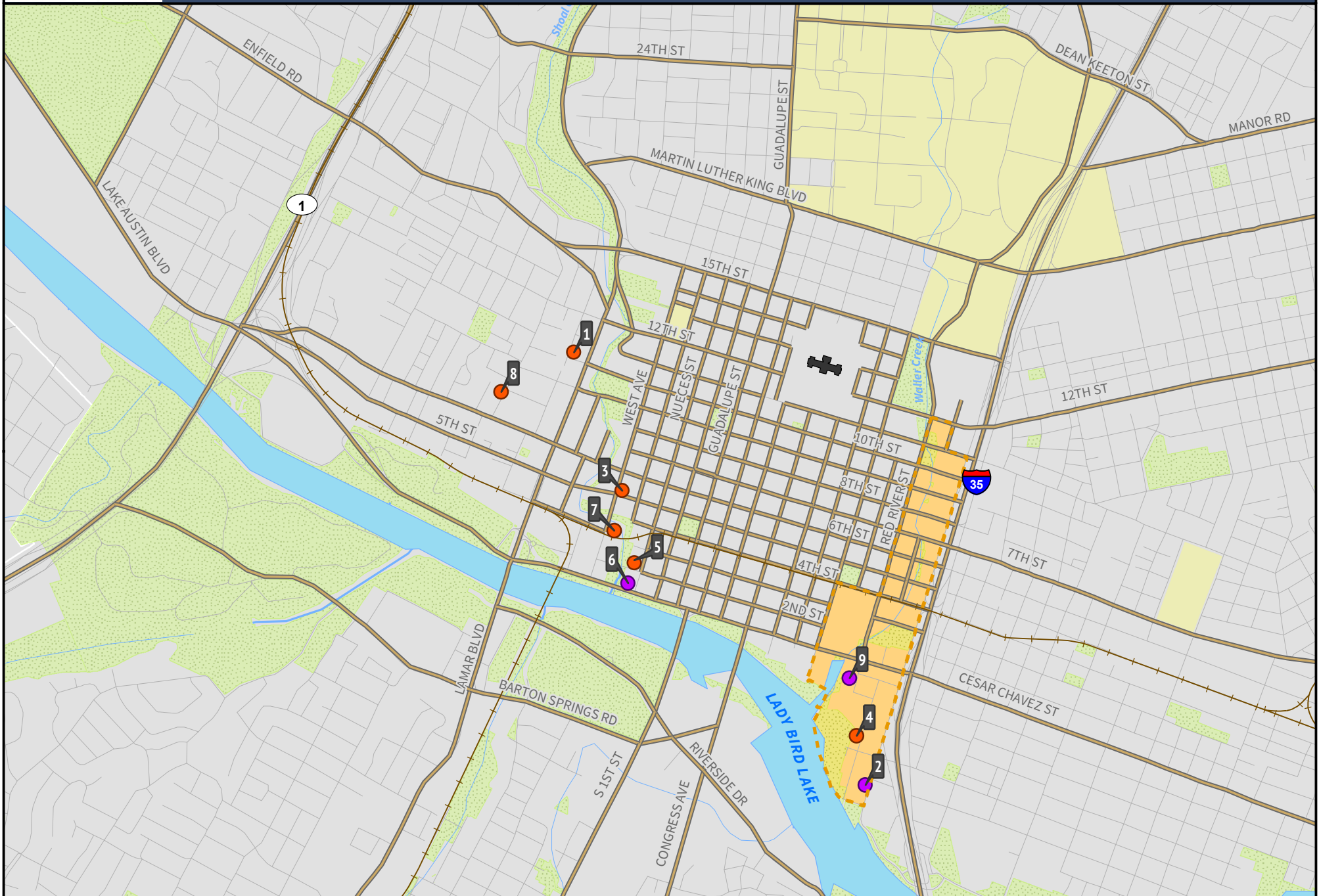
| Map No.                    | Project Name             | Delivery Date | Planned Units | 2018 | 2019  | 2020 | 2021 | 2022 | Future |
|----------------------------|--------------------------|---------------|---------------|------|-------|------|------|------|--------|
| 1                          | 1010 W. 10th             | Feb-18        | 14            | 14   | ...   | ...  | ...  | ...  | ...    |
| 2                          | 48 East                  | Oct-20        | 239           | ...  | ...   | 239  | ...  | ...  | ...    |
| 3                          | 5th & West Residences    | Oct-18        | 154           | 154  | ...   | ...  | ...  | ...  | ...    |
| 4                          | 70 Rainey                | Feb-19        | 164           | ...  | 164   | ...  | ...  | ...  | ...    |
| 5                          | Austin Proper Residences | Mar-19        | 99            | ...  | 99    | ...  | ...  | ...  | ...    |
| 6                          | Block 185                | Apr-22        | 196           | ...  | ...   | ...  | ...  | 196  | ...    |
| 7                          | The Independent          | Feb-19        | 370           | ...  | 370   | ...  | ...  | ...  | ...    |
| 8                          | The Stonewall            | Apr-18        | 11            | 11   | ...   | ...  | ...  | ...  | ...    |
| 9                          | Waller Center Bldg. C    | <i>tbd</i>    | 203           | ...  | ...   | ...  | ...  | ...  | 203    |
| Total Units Planned        |                          |               | 1,450         | 179  | 633   | 239  | 0    | 196  | 203    |
| Market Area Demand         |                          |               |               | 234  | 251   | 269  | 280  | 294  |        |
| Surplus / (Deficit) Demand |                          |               |               | 55   | (382) | 30   | 280  | 98   |        |

Source: Capitol Market Research, March 2018

compsite\_condo\_dt\_2018.xls

Note: If the annual supply exceeds demand, then the deficit is shown as a negative number.

***Downtown Austin: Planned Condominium Projects***



### ***Waller Parks District Attached Housing Absorption***

The previous sections have discussed the regional attached housing (condominium and townhome) market and the growth statistics related to the attached housing market in Downtown Austin. The data shows that the CBD continues to be competitive in the regional attached, “urban”, housing context and has maintained a healthy share of new construction and absorption while also commanding the highest sales price per square foot in the city. As discussed earlier, the success of the downtown in a regional context is largely due to the rich mix of land uses in close proximity and the walkable character of the downtown district. The continuing success of the downtown market is also dependent upon the availability of vacant land, and the redevelopment of underutilized parcels.

In 2010, the City of Austin completed the Austin Downtown Master Plan which outlined a vision for the CBD that included a proposed land use plan for sub districts within the CBD. As part of the future land use plan, the master plan consultants identified “opportunity sites.” These opportunity sites were either vacant (in 2010) or had low density improvements which do not reflect the highest and best use of the property. Current CBD zoning allows an 8:1 FAR unless the site is within an historic district (like West 6<sup>th</sup> Street) or is within a protected Capital View Corridor (CVC). On some sites the owner has achieved a higher density “bonus” that increased the FAR. Taking the FAR constraints into consideration, the Master Plan consultants identified the potential for adding approximately 37.2 million square feet of additional building net rentable space in the CBD. Within the existing Waller Creek TIF boundary, the consultants identified opportunity for development of approximately 9.4 million square feet of new development.

In 2017, Nelsen Nygaard completed the Downtown Austin Parking Strategy Plan for the Downtown Austin Alliance. Part of the plan included an opportunity site assessment (update) which was completed by McCann Adams Studio. The site assessment shows a total of 37.8 million square feet of development opportunity, which assumes that all sites are built to their maximum F.A.R., including a density bonus. Within the Waller Parks District there is a potential to develop 8.6 million square feet of development (with the bonus), which is 22.73% of the total development potential in the CBD.

A preliminary estimate of the attached housing absorption potential for the Waller Creek TIF was calculated for the existing TIF district using the proportional share of the (remaining) downtown development potential combined with an estimate of the “competitive” share. This competitive share reflects the change in character likely to occur as a result of the implementation of the planned Waller Creek masterplan and significant Creekside improvements. The “blended” capture rate is the average of the proportional and competitive share. This absorption forecast is shown on table (31) on the following page.

Table (31)  
**Waller Parks District**  
 Annual Condominium Unit Absorption Potential

| Date  | CBD Absorption | CBD New Completions | Waller Parks District     |                          |               |                          |                    |
|-------|----------------|---------------------|---------------------------|--------------------------|---------------|--------------------------|--------------------|
|       |                |                     | Proportional Market Share | Competitive Market Share | Blended Share | WPD Absorption Potential | Cummulative Demand |
| 2018  | 234            | 179                 | 22.7%                     | 25.0%                    | 23.9%         | 56                       | 56                 |
| 2019  | 251            | 633                 | 22.7%                     | 25.0%                    | 23.9%         | 60                       | 116                |
| 2020  | 269            | 239                 | 22.7%                     | 25.0%                    | 23.9%         | 64                       | 180                |
| 2021  | 280            | 0                   | 22.7%                     | 25.0%                    | 23.9%         | 67                       | 247                |
| 2022  | 294            | 196                 | 22.7%                     | 25.0%                    | 23.9%         | 70                       | 317                |
| 2023  | 306            | 310                 | 22.7%                     | 25.0%                    | 23.9%         | 73                       | 390                |
| 2024  | 322            | 320                 | 22.7%                     | 25.0%                    | 23.9%         | 77                       | 467                |
| 2025  | 337            | 340                 | 22.7%                     | 25.0%                    | 23.9%         | 80                       | 547                |
| 2026  | 352            | 350                 | 22.7%                     | 25.0%                    | 23.9%         | 84                       | 631                |
| 2027  | 368            | 370                 | 22.7%                     | 25.0%                    | 23.9%         | 88                       | 719                |
| 2028  | 387            | 390                 | 22.7%                     | 25.0%                    | 23.9%         | 92                       | 812                |
| 2029  | 405            | 400                 | 22.7%                     | 25.0%                    | 23.9%         | 97                       | 908                |
| 2030  | 426            | 430                 | 22.7%                     | 25.0%                    | 23.9%         | 102                      | 1,010              |
| 2031  | 442            | 440                 | 22.7%                     | 25.0%                    | 23.9%         | 105                      | 1,115              |
| 2032  | 461            | 460                 | 22.7%                     | 25.0%                    | 23.9%         | 110                      | 1,225              |
| 2033  | 481            | 480                 | 22.7%                     | 25.0%                    | 23.9%         | 115                      | 1,340              |
| 2034  | 501            | 500                 | 22.7%                     | 25.0%                    | 23.9%         | 120                      | 1,460              |
| 2035  | 523            | 520                 | 22.7%                     | 25.0%                    | 23.9%         | 125                      | 1,585              |
| 2036  | 544            | 540                 | 22.7%                     | 25.0%                    | 23.9%         | 130                      | 1,715              |
| 2037  | 570            | 570                 | 22.7%                     | 25.0%                    | 23.9%         | 136                      | 1,851              |
| 2038  | 595            | 600                 | 22.7%                     | 25.0%                    | 23.9%         | 142                      | 1,993              |
| 2039  | 622            | 620                 | 22.7%                     | 25.0%                    | 23.9%         | 148                      | 2,141              |
| 2040  | 648            | 650                 | 22.7%                     | 25.0%                    | 23.9%         | 155                      | 2,296              |
| Total | 9,621          | 9,537               |                           |                          | 23.9%         | 2,296                    |                    |

Source: Absorption forecast from Table (28)

compsite\_condo\_dt\_2018.xls

Planned unit completions from Table (30) through 2021,  
 then unit completions are assumed to roughly equal the absorption potential

## **ABSORPTION SUMMARY AND TIF FORECAST**

### ***Absorption Summary and TIF Forecast***

The previous sections of this report have provided an historical review, current assessment and development forecasts for the existing Waller Creek TIF district. Forecasts have been prepared for three major property types; office, multi-family, and residential condominiums (“attached” housing). The existing TIF district contains 88.4 (net) acres of land and has a 2017 taxable value of \$779,553,282. The forecasts were prepared by first estimating the absorption potential in the downtown Austin market area, and then narrowing the focus to the Waller Parks District. The baseline evaluation of capture rate was derived from data which was initially generated for the Downtown Austin Plan (DAP), adopted by the Austin City Council on December 8, 2011. In the plan, “opportunity sites” were identified and gross building area calculated for each site. The Downtown Austin Alliance commissioned an update to the opportunity site analysis as part of the recently completed “Downtown Austin Parking Strategy”. This updated information was utilized as a “base” capture rate in this study and is shown below in Table (32).

Table (32)  
**Opportunity Sites for New Development**  
Downtown and Waller Parks District

| Area                               | Square Feet of Land Area | Square Feet of Potential Development | Square Feet Potential with Density Bonus |
|------------------------------------|--------------------------|--------------------------------------|--|
| <b>Downtown</b>                    | <b>104.96</b>            | <b>21,296,098</b>                    | <b>37,756,449</b>                        |
| In Waller Parks District           | 18.67                    | 5,162,914                            | 8,582,336                                |
| Outside Waller Parks District      | 86.29                    | 16,133,184                           | 29,174,113                               |
| <b>Percent in Waller Creek TIF</b> | <b>17.8%</b>             | <b>24.2%</b>                         | <b>22.7%</b>                             |

Source: Downtown Austin Parking Strategy, Nelson Nygaard, September 2016

opportunity sites.xls

Prepared for the Downtown Austin Alliance

Opportunity Site Analysis prepared McCann Adams Studio, as subcontractor.

Over the last ten years, the development focus has been in lower downtown, near Lady Bird Lake, where most of the available sites have now been developed or are currently under construction. With the construction of the Waller Creek Tunnel and the Waller Parks District, the development focus is likely to shift to include the northeast quadrant where the Innovation District initiatives are emerging and the Central Health campus redevelopment is gaining traction.

In acknowledgement of these emerging trends, CMR has provided an absorption rate for each product type as a result of the product specific demand forecasts shown in previous sections. This data is now consolidated into a summary table which covers the existing TIF district.



Table (33)  
**Absorption Summary**  
Existing TIF Boundary

| Year         | Absorption         |                    |                        |
|--------------|--------------------|--------------------|------------------------|
|              | Office Square Feet | Multi-Family Units | Attached Housing Units |
| 2018         | 0                  | 0                  | 0                      |
| 2019         | 0                  | 0                  | 164                    |
| 2020         | 49,000             | 602                | 239                    |
| 2021         | 42,000             | 0                  | 0                      |
| 2022         | 75,000             | 0                  | 0                      |
| 2023         | 63,000             | 0                  | 0                      |
| 2024         | 64,000             | 150                | 0                      |
| 2025         | 62,000             | 160                | 0                      |
| 2026         | 59,000             | 180                | 80                     |
| 2027         | 60,000             | 190                | 90                     |
| 2028         | 74,000             | 190                | 90                     |
| 2029         | 76,000             | 190                | 100                    |
| 2030         | 78,000             | 200                | 100                    |
| 2031         | 80,000             | 200                | 110                    |
| 2032         | 83,000             | 200                | 110                    |
| 2033         | 85,000             | 200                | 110                    |
| 2034         | 87,000             | 200                | 120                    |
| 2035         | 90,000             | 200                | 120                    |
| 2036         | 92,000             | 210                | 130                    |
| 2037         | 95,000             | 210                | 140                    |
| 2038         | 97,000             | 210                | 140                    |
| 2039         | 100,000            | 210                | 150                    |
| 2040         | 103,000            | 210                | 150                    |
| <b>Total</b> | <b>1,614,000</b>   | <b>3,912</b>       | <b>2,143</b>           |

Development 4.19.18

Source: Capitol Market Research, April 2018

Summary of Absorption estimates from previous sections

The next step required to prepare the TIF value forecasts is to calculate an average cost per square foot for each product category. Capitol Market Research requested and received an average square foot cost estimate for buildings from a large construction firm that is currently building towers in the downtown market. Using the upper end of the cost range provided by Austin Commercial, an estimate of Hard Costs for each product type is shown below in Table (34).

Table (34)  
Construction Cost Estimates  
Downtown Austin Towers

| Category                   | Office    | Multi Family | Condo Tower |
|----------------------------|-----------|--------------|-------------|
| Average Size               | 1,000     | 900          | 1,400       |
| Average Hard Cost Per SF   | \$195     | \$275        | \$335       |
| Cost per Unit              | \$195,000 | \$247,500    | \$469,000   |
| Parking per Unit           | 2.6       | 1.5          | 1.7         |
| Parking Cost per space     | \$35,000  | \$35,000     | \$35,000    |
| Total Parking Cost         | \$91,000  | \$52,500     | \$59,500    |
| Core & Shell plus parking  | \$286,000 | \$300,000    | \$528,500   |
| Soft Cost @ 20%            | \$57,200  | \$60,000     | \$105,700   |
| Construction Cost Per Unit | \$343,200 | \$360,000    | \$634,200   |
| Cost Per Square Foot       | \$343     | \$400        | \$453       |

*Source: Preliminary cost estimates provided by a variety of sources including:*

*Austin Commercial, Argyle Residential and CD Construction Estimating*

*Parking ratios estimated from a sample of recently completed CBD Buildings*

Development 4.19.18

Based on the absorption estimates shown in Table (33) and the cost estimates provided above, the potential TIF valuation and tax revenue potential is provided in Table (35).

Table (35)  
**Projected Tax Values 2018 - 2040**  
Waller Creek TIF District

| Year         | COA Taxable Value<br>(January 1) | Planned<br>Development Value | COA Taxable Value<br>(December 31) | Inflated Value at<br>(5%) |
|--------------|----------------------------------|------------------------------|------------------------------------|---------------------------|
| 2017         | \$1,157,313,908                  | \$0                          | \$1,157,313,908                    | \$1,215,179,603           |
| 2018         | \$1,215,179,603                  | \$125,000,000                | \$1,340,179,603                    | \$1,407,188,584           |
| 2019         | \$1,407,188,584                  | \$76,916,000                 | \$1,484,104,584                    | \$1,558,309,813           |
| 2020         | \$1,558,309,813                  | \$345,627,800                | \$1,903,937,613                    | \$1,999,134,493           |
| 2021         | \$1,999,134,493                  | \$14,414,400                 | \$2,013,548,893                    | \$2,114,226,338           |
| 2022         | \$2,114,226,338                  | \$25,740,000                 | \$2,139,966,338                    | \$2,246,964,655           |
| 2023         | \$2,246,964,655                  | \$21,621,600                 | \$2,268,586,255                    | \$2,382,015,568           |
| 2024         | \$2,382,015,568                  | \$75,964,800                 | \$2,457,980,368                    | \$2,580,879,386           |
| 2025         | \$2,580,879,386                  | \$78,878,400                 | \$2,659,757,786                    | \$2,792,745,675           |
| 2026         | \$2,792,745,675                  | \$122,568,800                | \$2,915,314,475                    | \$3,061,080,199           |
| 2027         | \$3,061,080,199                  | \$131,202,000                | \$3,192,282,199                    | \$3,351,896,309           |
| 2028         | \$3,351,896,309                  | \$136,006,800                | \$3,487,903,109                    | \$3,662,298,265           |
| 2029         | \$3,662,298,265                  | \$141,383,200                | \$3,803,681,465                    | \$3,993,865,538           |
| 2030         | \$3,993,865,538                  | \$145,669,600                | \$4,139,535,138                    | \$4,346,511,895           |
| 2031         | \$4,346,511,895                  | \$151,046,000                | \$4,497,557,895                    | \$4,722,435,789           |
| 2032         | \$4,722,435,789                  | \$152,075,600                | \$4,874,511,389                    | \$5,118,236,959           |
| 2033         | \$5,118,236,959                  | \$152,762,000                | \$5,270,998,959                    | \$5,534,548,907           |
| 2034         | \$5,534,548,907                  | \$158,138,400                | \$5,692,687,307                    | \$5,977,321,672           |
| 2035         | \$5,977,321,672                  | \$159,168,000                | \$6,136,489,672                    | \$6,443,314,156           |
| 2036         | \$6,443,314,156                  | \$168,144,400                | \$6,611,458,556                    | \$6,942,031,484           |
| 2037         | \$6,942,031,484                  | \$173,864,000                | \$7,115,895,484                    | \$7,471,690,258           |
| 2038         | \$7,471,690,258                  | \$174,550,400                | \$7,646,240,658                    | \$8,028,552,691           |
| 2039         | \$8,028,552,691                  | \$180,270,000                | \$8,208,822,691                    | \$8,619,263,825           |
| 2040         | \$8,619,263,825                  | \$181,299,600                | \$8,800,563,425                    | \$9,240,591,596           |
| <b>Total</b> | <b>\$96,727,005,969</b>          | <b>\$3,092,311,800</b>       | <b>\$99,819,317,769</b>            |                           |

Source: Capitol Market Research, April 2018

Development 4.19.18

## **APPENDIX**

***Certificate***

The undersigned do hereby certify that, except as otherwise noted in this market/feasibility report:

We certify that we have personally inspected the aforementioned subject property, and that our fee is in no way contingent upon the determination of feasibility reported herein.

We have no present or contemplated future interest in the real estate that is the subject of this report.

To the best of our knowledge and belief the statements of fact contained in this report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct.

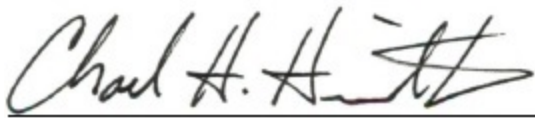
This report sets forth all of the limiting conditions (imposed by the terms of our assignment or by the undersigned) affecting the analyses, opinions and conclusions contained in this report.

Recognition is hereby given to Erin Roberts, Camiel DeSmet, Katherine Burley, and Sarah Barnes for their assistance in the preparation of this report.

No one other than the undersigned prepared the analyses, conclusions and opinions concerning the real estate that are set forth in this report.

Respectfully submitted,

CAPITOL MARKET RESEARCH, INC.

A handwritten signature in dark ink, appearing to read "Charles H. Heimsath", written over a horizontal line.

Charles H. Heimsath  
President

### **CHARLES H. HEIMSATH QUALIFICATIONS**

Charles H. Heimsath graduated from The University of Texas in 1976 with a Master of Science degree in City Planning. He has been active in the real estate market since 1976 in the areas of commercial and residential brokerage, market and feasibility studies, and real estate research. Prior to his association with Capitol Market Research, Mr. Heimsath was a senior project manager in charge of feasibility/market research with an appraisal firm, R. Robinson & Associates, Inc., Austin, Texas. Between 1980 and 1983 he was responsible for managing the real estate research division at the Rice Center in Houston.

Since moving to Austin in February 1984, Mr. Heimsath has conducted or managed over 500 market research and feasibility projects covering a range of property types from residential and mixed-use subdivisions through office/warehouse and service center space to downtown office buildings. His work has also included population forecasting for several cities, consultation to the General Land Office, The University of Texas System, and economic impact studies for proposed commuter and light rail systems in Austin and San Antonio.

#### **EDUCATION**

B.S. in Economics, University of Vermont, Burlington, Vermont; June 1972

M.S. in Community and Regional Planning, The University of Texas, Austin, Texas; August 1976

Post Graduate Studies, Rice University, Houston, Texas; 1980, 1981

#### **PROFESSIONAL MEMBERSHIPS & CERTIFICATIONS**

American Planning Association

Real Estate Council of Austin, Former Board Member

Texas Real Estate Broker #188355-13

Urban Land Institute, Austin Advisory Board Member

Downtown Austin Alliance, Board Member, Policy Committee Chair

Texas Regional Mobility Authority, Board Member

#### **PROFESSIONAL EXPERIENCE**

Capitol Market Research, Inc., President: June 1986 - Present

R. Robinson & Associates, Project Manager: Real estate research, market and demographic studies, land-use forecasting: February 1984 - June 1986

South Main Center Assoc., Associate Director: Construction management, office administration, policy development, community outreach: February 1983 - February 1984

Rice Center, Senior Associate: Senior project manager responsible for real estate research, urban development and economic forecasting: October 1978 - February 1983

Mayor's Office, City of Houston, Urban Economist: Responsible for preparing the Overall Economic Development Plan (OEDP) for Houston: October 1976 - October 1978

**Exhibit E: Waller Creek Tax Increment Financing  
Reinvestment Zone No. 17 TIF Value Increment and  
Tax Revenue Schedule**

**Exhibit E****Waller Creek TIRZ #17****Amendment No. 2: Estimated Tax Value Increment, Revenue  
and Expenses**

| <b>Tax Year</b>  | <b>2018</b>   | <b>2019</b>   | <b>2020</b>   | <b>2021</b>   | <b>2022</b>   | <b>2023</b>   | <b>2024</b>   |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>FY</b>  | <b>2019</b>   | <b>2020</b>   | <b>2021</b>   | <b>2022</b>   | <b>2023</b>   | <b>2024</b>   | <b>2025</b>   |
| <b>Captured City Assessed Valuation (1)</b>              | 1,104,169,888 | 1,271,188,372 | 1,421,557,779 | 1,554,445,657 | 1,693,977,929 | 1,840,486,815 | 1,994,321,145 |
| <b>Estimated Annual Net City Surplus / (Deficit) (2)</b> | 3,194,731     | 4,016,132     | 4,892,057     | 5,552,346     | 6,346,154     | 7,124,954     | 7,953,745     |
| <b>Estimated Debt Service on \$110 M</b>                 |               | 1,250,000     | 1,250,000     | 3,000,000     | 3,237,500     | 5,562,500     | 5,798,750     |
| <b>Estimated Annual Surplus /(Deficit)</b>               | 3,194,731     | 2,766,132     | 3,642,057     | 2,552,346     | 3,108,654     | 1,562,454     | 2,154,995     |
| <b>Available Balance (3)</b>                             | 8,351,061     | 11,117,194    | 14,759,250    | 17,311,596    | 20,420,250    | 21,982,704    | 24,137,700    |

(1) The base year for TIRZ #17 is 2007, with a base valuation of \$236,199,782

(2) Annual Net City Surplus / (Deficit) in the Waller Creek Reserve Fund after debt service payments are made on existing \$106 million in debt issued by City of Austin for Waller Creek Tunnel; City property tax rate assumption of \$0.4400 / per \$100 valuation

(3) Beginning balance based on estimated \$15,156,330 FY18 ending balance in Waller Creek Reserve Fund; Assumes a \$10 million reserve fund during duration of TIRZ; equivalent to estimate annual new debt service payment



**Exhibit E****Waller Creek TIRZ #17****Amendment No. 2: Estimated Tax Value Increment, Revenue  
and Expenses**

| <b>Tax Year</b>  | <b>2025</b>   | <b>2026</b>   | <b>2027</b>   | <b>2028</b>   | <b>2029</b>   | <b>2030</b>   | <b>2031</b>   |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>FY</b>  | <b>2026</b>   | <b>2027</b>   | <b>2028</b>   | <b>2029</b>   | <b>2030</b>   | <b>2031</b>   | <b>2032</b>   |
| <b>Captured City Assessed Valuation (1)</b>              | 2,155,847,191 | 2,325,449,540 | 2,503,532,006 | 2,690,518,595 | 2,886,854,514 | 3,093,007,229 | 3,319,467,579 |
| <b>Estimated Annual Net City Surplus / (Deficit) (2)</b> | 8,702,863     | 9,608,156     | 10,523,803    | 4,904,001     | 5,625,178     | 6,443,455     | 7,442,641     |
| <b>Estimated Debt Service on \$110 M</b>                 | 8,222,500     | 8,673,250     | 9,607,000     | 9,984,638     | 10,615,838    | 10,615,651    | 10,609,813    |
| <b>Estimated Annual Surplus /(Deficit)</b>               | 480,363       | 934,906       | 916,803       | (5,080,637)   | (4,990,660)   | (4,172,196)   | (3,167,172)   |
| <b>Available Balance (3)</b>                             | 24,618,063    | 25,552,970    | 26,469,773    | 21,389,136    | 16,398,476    | 12,226,280    | 9,059,108     |

(1) The base year for TIRZ #17 is 2007, with a base valuation of \$236,199,782

(2) Annual Net City Surplus / (Deficit) in the Waller Creek Reserve Fund after debt service payments are made on existing \$106 million in debt issued by City of Austin for Waller Creek Tunnel; City property tax rate assumption of \$0.4400 / per \$100 valuation

(3) Beginning balance based on estimated \$15,156,330 FY18 ending balance in Waller Creek Reserve Fund; Assumes a \$10 million reserve fund during duration of TIRZ; equivalent to estimate annual new debt service payment

**Exhibit E****Waller Creek TIRZ #17****Amendment No. 2: Estimated Tax Value Increment, Revenue  
and Expenses**

| <b>Tax Year</b>  | <b>2032</b>   | <b>2033</b>   | <b>2034</b>   | <b>2035</b>   | <b>2036</b>   | <b>2037</b>   | <b>2038</b>   |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>FY</b>  | <b>2033</b>   | <b>2034</b>   | <b>2035</b>   | <b>2036</b>   | <b>2037</b>   | <b>2038</b>   | <b>2039</b>   |
| <b>Captured City Assessed Valuation (1)</b>              | 3,557,250,947 | 3,806,923,484 | 4,069,079,647 | 4,344,343,618 | 4,633,370,788 | 4,936,849,317 | 5,255,501,772 |
| <b>Estimated Annual Net City Surplus / (Deficit) (2)</b> | 8,864,628     | 9,940,967     | 12,935,101    | 14,912,299    | 16,190,438    | 17,860,387    | 20,822,420    |
| <b>Estimated Debt Service on \$110 M</b>                 | 10,612,813    | 10,613,363    | 10,620,688    | 10,618,513    | 10,621,313    | 10,617,813    | 10,612,238    |
| <b>Estimated Annual Surplus /(Deficit)</b>               | (1,748,185)   | (672,396)     | 2,314,413     | 4,293,786     | 5,569,125     | 7,242,574     | 10,210,182    |
| <b>Available Balance (3)</b>                             | 7,310,922     | 6,638,526     | 8,952,939     | 13,246,726    | 18,815,850    | 26,058,424    | 36,268,607    |

(1) The base year for TIRZ #17 is 2007, with a base valuation of \$236,199,782

(2) Annual Net City Surplus / (Deficit) in the Waller Creek Reserve Fund after debt service payments are made on existing \$106 million in debt issued by City of Austin for Waller Creek Tunnel; City property tax rate assumption of \$0.4400 / per \$100 valuation

(3) Beginning balance based on estimated \$15,156,330 FY18 ending balance in Waller Creek Reserve Fund; Assumes a \$10 million reserve fund during duration of TIRZ; equivalent to estimate annual new debt service payment

**Exhibit E****Waller Creek TIRZ #17****Amendment No. 2: Estimated Tax Value Increment, Revenue  
and Expenses**

| <b>Tax Year</b>  | <b>2039</b>   | <b>2040</b>   |
|--|---------------|---------------|
| <b>FY</b>  | <b>2040</b>   | <b>2041</b>   |
| <b>Captured City Assessed Valuation (1)</b>              | 5,590,086,850 | 5,941,401,181 |
| <b>Estimated Annual Net City Surplus / (Deficit) (2)</b> | 22,280,870    | 23,812,178    |
| <b>Estimated Debt Service on \$110 M</b>                 | 8,383,563     | 8,376,738     |
| <b>Estimated Annual Surplus /(Deficit)</b>               | 13,897,307    | 15,435,440    |
| <b>Available Balance (3)</b>                             | 50,165,913    | 65,601,353    |

(1) The base year for TIRZ #17 is 2007, with a base valuation of \$236,199,782

(2) Annual Net City Surplus / (Deficit) in the Waller Creek Reserve Fund after debt service payments are made on existing \$106 million in debt issued by City of Austin for Waller Creek Tunnel; City property tax rate assumption of \$0.4400 / per \$100 valuation

(3) Beginning balance based on estimated \$15,156,330 FY18 ending balance in Waller Creek Reserve Fund; Assumes a \$10 million reserve fund during duration of TIRZ; equivalent to estimate annual new debt service payment

## **Exhibit F: Waller Creek Design Plan Update**